



CUSTOMER SERVICE SURVEY RESULTS -what members said about PERSI in 2007-

In January 2007, PERSI staff began giving customer service surveys to members who came into a PERSI office for assistance. The goal of any customer service survey is to learn more about what an organization is doing right, and to identify those areas where improvements can be made. PERSI is grateful to members for taking time to tell us about their experience while visiting one of our offices.

Members with and without appointments were provided with a survey. Although members were asked to complete the survey before leaving the office, if that wasn't possible, they were provided with a postage-paid return envelope so the survey could be mailed back to PERSI. Nearly half the surveys were given out by the staff in the PERSI Answer Center (PAC), which was not surprising since PAC is the first point of contact for members visiting a PERSI office. The 2007 results are outlined below:

(1) The majority of members (73%) visited a PERSI office regarding a retirement issue. The next most frequent reason for visiting PERSI was to ask general questions. This was followed closely by the need for assistance with the Choice Plan 401(k).

(2) All members (100%) said PERSI staff met or exceeded expectations in terms of being courteous and helpful. This exceeded the 90% benchmark set by PERSI in its strategic plan.

(3) Members with appointments rarely had to wait once they arrived for their scheduled appointment with PERSI. Those without an appointment (walk-ins) waited, on average, fewer than 5 minutes before being assisted.

(4) Approximately two-thirds of the members who responded to the survey said they had previously contacted PERSI about the same problem or issue. PERSI is reviewing the data further to determine if the staff needs to clarify its responses to members, if the members had new questions about a previous issue, or if the questions should have been directed elsewhere initially because they were outside PERSI's area of responsibility (e.g., insurance).

(5) Most members (87%) responded it was very easy to make an appointment with PERSI.

(6) Of the members who responded, 99% said the knowledge of the PERSI staff met or exceeded expectations.

(7) When rating their overall experience during the office visit, 99% of members who responded said PERSI met or exceeded expectations.

(8) Of members who expressed dissatisfaction with PERSI, the reasons varied. PERSI will review the comments and determine what action can be taken or what improvements can be made.

The narrative responses from the survey are being reviewed to ensure PERSI understands what members want and/or expect in the future. This information will also help PERSI advance its Customer Service initiative during 2008. PERSI's goal is to increase the number of surveys distributed in 2008 and reinforce the culture of service excellence within the organization.

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Insights

CONFUSED ABOUT THE SOCIAL SECURITY RETIREMENT OPTION?

Confusion seems to always be associated with PERSI retirement Options 3, 4a, and 4b — the options that allow for an accelerated benefit until the member reaches Social Security Full Retirement Age (SSFRA). This article may help members understand how these options work, what they need to do, and the pros and cons of taking an accelerated benefit.

How the Options Work

Options 3, 4a, and 4b provide a higher than normal PERSI benefit initially; but when the member reaches SSFRA (between 65 and 67 depending on when the member was born) and begins receiving Social Security, their PERSI benefit is reduced. These options are available only if a member retires *before* reaching SSFRA. The higher amount is based on the number of years and months the member is away from SSFRA when they retire under PERSI's plan. The reduction is based on the Social Security quote originally provided to PERSI by the member when they apply for retirement. It is not reduced by the Social Security benefit amount the member actually receives. Actuarially there is no advantage or disadvantage with these options. In other words, a member doesn't lose or gain more money by selecting these options. It's simply a matter of choosing how and when a benefit is paid out.

Getting a Social Security Quote

For PERSI to calculate an estimate for these options, the member must provide a quote stating what Social Security expects to pay them when they reach SSFRA. As members approach retirement and decide they want PERSI to provide them with an estimate for Option 3, 4a, or 4b, they will need to get a Social Security quote that provides the SSFRA benefit amount. The Social Security early retirement quote for age 62 cannot be used in calculating these options.

The SSFRA quote is not the same as the Social Security statement sent to workers annually. When requesting a quote, members must be clear about the date they plan to retire under the PERSI plan. When contacting Social Security, members should ask for a SSFRA quote that assumes *zero future earnings* after their PERSI retirement date. If *zero future earnings* is not specified,

the quote will assume the member will continue to have earnings reported to Social Security at their current level up to a later age. This will result in an inaccurate/inflated quote.

Example: A member who plans to retire under PERSI's plan at age 58, should get a Social Security quote that assumes the member will not work past age 58. If the quote is based on the assumption the member will continue to work, it will reflect a higher benefit than what will actually be paid. Members should be mindful their PERSI allowance will eventually be reduced *based on the quote provided to PERSI at the time of retirement*. It is the member's responsibility to obtain a relatively accurate quote from Social Security. An inflated quote could have a significant affect on the member's monthly income when they reach SSFRA. *Once the member begins receiving their PERSI benefit, they cannot come back with a modified Social Security quote to correct an inaccuracy.*

A member who has not yet retired but already submitted a Social Security quote to PERSI that projects earnings past the date he/she intended to retire under PERSI's plan, can request a recalculation of his/her PERSI estimate. First, the member must request a new quote from the Social Security Administration and provide it to PERSI. Remember, *retired members cannot request a recalculation.*

Pros and Cons

An accelerated option might benefit members wanting a level income throughout retirement. A member will get more of their PERSI money initially; when their Social Security payments begin, the PERSI amount will be reduced, resulting in an income that remains constant. By contrast, a reduced benefit (even dropping to zero in some cases) from PERSI after SSFRA can be difficult on members who forget the drop is coming or who begin drawing Social Security earlier than SSFRA and receive a smaller Social Security benefit than estimated.

PERSI highly recommends that members meet with a Retirement Specialist before making any retirement decisions.

NEW RETIREMENT WORKSHOPS AVAILABLE

-ask your employer to arrange one for your office-

PERSI is pleased to announce the availability of two new retirement workshops for members. To make participation easy, these workshops are conducted onsite at employer locations. Both are provided at no cost and run about an hour and a half... so it won't take too much time out of the day. Making sure members understand their retirement benefits is important to PERSI. Taking time to learn about retirement planning is one of the best things members can do for themselves.

Planning for the Beach

This workshop arms members with the knowledge to begin the retirement planning process...something nearly 87 percent of Americans fail to do for themselves. Since the workshop goes into detail about the PERSI Base Plan (pension), it is beneficial to all PERSI members. It includes a discussion about the merits of starting to save early in a career vs. starting later in life. This workshop has been very well received by members of all ages.

The benefits of participating in the Choice Plan 401(k) are covered in detail during this workshop. Existing 401(k) participants will better understand their options, and non-participants will gain an understanding of why it makes sense to have a personal retirement savings plan. Members will also learn how to avoid common pitfalls that could derail their existing retirement plans, such as improper use of credit cards or living beyond their means. The workshops also include discussion on the time-value of money, dollar cost averaging, and asset allocation. For many people these issues seem very complicated, but with proper education they can be simplified and made easier to understand.

- Other workshop topics include:
 - Credit card basics
 - Debt elimination
 - Calculating present and future needs
 - Retirement assessment

A PERSI trainer, either Mike Mitchell or Graydon Wood, will go through an exercise to help members determine and eventually achieve their retirement goals. This is a fun and informative education session using easy-to-follow steps for alleviating concerns regarding financial security in retirement.

Cruisin' to the Beach

Participants in this workshop will quickly review the PERSI Base plan (pension) and the Choice Plan 401(k) before transitioning to advanced financial planning techniques. The goal is to help members fine-tune the skills needed to remain focused and on track in attaining a comfortable retirement. The appropriate use of tax and income deferral instruments will be discussed and explained. The workshop also includes a hands-on exercise dealing with asset allocation.

- Other workshop topics include:
 - Getting started
 - Investment vehicle choices and comparisons
 - 401(k)
 - 457
 - 403(b)
 - Traditional and Roth IRAs
 - Financial basics
 - Evaluating costs vs. historical returns
 - Indexes
 - Growth
 - Value
 - Small, mid, and large cap
 - Resources

To schedule one or both of these new workshops your employer can simply call Mike at (208) 287-9291 or Graydon at (208) 287-9292.

Retirement's a Beach

PERSI has re-evaluated its half-day retirement workshop. After careful review of comment cards from members, it was decided the workshop should be extended by 2 hours. This additional time allows the PERSI trainers to go into more detail on several retirement topics, particularly Social Security and Medicare.

Not Everything Has Changed

The Retirement's a Beach workshop still targets PERSI members within 5-10 years of retiring. The newly formatted 6-hour workshops are held at offsite locations throughout the state and conducted throughout the year just like before. A Retirement Specialist is also still available at each workshop to answer member questions.

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As with previous workshops, the new workshops provide details about the Base Plan (pension) and the decisions members need to make before retiring. The workshops still cover Choice Plan 401(k) benefits, health care options, wills, trusts, estate planning, tax implications of retirement income, and powers of attorney. Attendees will also continue to receive a workbook and a retirement estimate. Spouses of members are welcome to attend a workshop, but they must be registered. Members wanting to attend a Retirement's a Beach workshop can register online via the PERSI Web site at www.persi.idaho.gov.

Online Registration

Online registration is simple. From the PERSI Web site, click on the "Education" tab on the Home Page, then click on "Online Registration" on the drop-down menu. Next scroll down to the schedule for the Retirement's a Beach workshops. The schedule provides the date, city, time, and availability for each workshop. After finding an available workshop that's convenient, simply click on "Enroll Online Now," which will open the "Account Log On" page. (Members must already be signed up to view their account before utilizing the online workshop registration option.) After logging on, complete the form and click the "Register" button. If everything was completed properly, a personalized "Thank You" screen will appear confirming registration and the date and time of the workshop selected. PERSI will automatically send the member a confirmation email within a few minutes. *(Please note: the box acknowledging the cancellation fee policy was read and understood must be checked before registration can be finalized.)*

Each registrant will be contacted prior to the workshop to confirm attendance. At that time, specific location information will be provided. Questions about the workshops should be directed to PERSI via email at workshops@persi.idaho.gov. Members who don't have Internet access can call PERSI at (208) 334-3365 from Boise or toll-free at 1(800) 451-8228 from elsewhere in Idaho to register for a workshop. PERSI wants to help members develop a retirement strategy that works for them.

USING YOUR TAX REBATE CHECK

The federal government hopes you'll spend your tax rebate check - aka "Economic Stimulus Payment" - to boost the economy, but you may want to pay down debt or jumpstart a savings plan instead. Paying down debt can improve your financial situation, and putting aside money for a rainy day can help establish your financial security. Another path to financial security is participation in the Choice Plan 401(k). Through payroll deductions, you can prepare for your future...and saving for retirement is a good idea any time and at any age.

PERSI INVESTMENT NEWS

as of March 18, 2008

Value of the Fund:

\$10,990,220,533

Fiscal Year Change in Market Value:

(\$472,357,880)

Fiscal Year-to-Date Returns:

-3.9%

Month-to-Date Returns:

-2.0%

*Posted monthly on PERSI Web site: www.persi.idaho.gov



www.persi.idaho.gov

PERSpectives

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